

Private Employer Health Care Coverage Program Program Provisions

2001 Wisconsin Act 16 (effective September 1, 2001)

- Health plan contracting responsibility shifted from the administrator to ETF.
- ETF authorized to subcontract both marketing and maintenance of a toll-free number through the administrator.
- ETF authorized to promulgate rules for administration of the program, with PEHCCP Board approval.
- PEHCCP Board directed to publish the new business premium rates for participating small employers each year.
- “Eligible employee” specified as a person who works on a permanent basis more than 30 hours a week, including a sole proprietor, a business owner, owner of a farm business, a partner of a partnership and a member of a limited liability company.
- Clarification: An employer may offer coverage to part-time employees, *to the extent authorized by participating insurer(s)*.
- Clarification: Employers must contribute a minimum of 50% of the lowest *single* coverage rate for that employee.
- Clarification: Agents must be “listed” with each health plan offering coverage and authorizes the Board to establish additional agent training requirements.
- ETF and the PEHCCP Board charged with determining the extent to which the program will guarantee coverage beyond requirements of the outside market.

The following market-wide statutory provision was also enacted. Once effective, this requirement will apply to all small business health insurance rates.

- “Occupation” subject to rate band, currently set at 30%. (Wisconsin law did not previously limit rate variation for this factor.)

Act 16 also included an appropriation of \$211,100 general purpose revenue (GPR) in the first year of the biennium for salaries, fringe benefits and associated supplies and services for 2.5 full-time positions in the Office of Private Employer Health Care Coverage. No additional program funding was provided.

2001 Wisconsin Act 109 (effective July 30, 2002)

- \$850,000 GPR in 2001-02 for operating costs of PEHCCP
- DETF may seek funding from any person for the payment of costs of designing, marketing, and contracting for or providing administrative services under the program and for lapsing to the general fund any amount required under law
- DOA shall lapse from the PEHCCP's PR appropriation to the general fund, only if after consulting with the PEHCCP Board that monies are sufficient to make the lapse; lapsed amounts must equal principle and interest costs on the loan (lapses can be made in installments)
- OCI Loan and Repayment:
 - No later than October 1, 2002 (2nd month after effective date), OCI lapses \$850,000 PR to general fund
 - Considered a loan from the general fund with interest accrued
 - DOA pays principle and interest payments from PEHCCP appropriations after the close of each fiscal year. If monies aren't sufficient, DOA shall pay all remaining principle and interest payments on the loan after the close of that fiscal year
- Hiring Freeze Exemption - Allows ETF to fill 3.5 FTE GPR positions that are vacant on the effective date of the bill